

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (7/01)
BUTTER: Grade AA closed at \$1.6850. The weekly average for Grade AA is \$1.6983 (+.0908).

CHEESE: Barrels closed at \$1.5075 and blocks at \$1.5475. The weekly average for barrels is \$1.4970 (+.0460) and blocks, \$1.5460 (+.0430).

BUTTER: The butter market is firm as the cash butter price at the CME attained the highest level thus far this year at midweek, but edged lower at week's end. Traders and handlers have mixed opinions as to the strength in the cash price. Some feel that the increase is occurring due to futures transactions, while others feel that some buyers are reaching to the cash market to acquire butter for immediate needs versus depleting lower valued inventories at this time. Churning activity across the country is lower as available cream volumes decline. Some available, surplus butter continues to clear to inventory, but these volumes are not as heavy as in recent weeks. Butter demand is fair to good. Some retail features are coming to an end, but they did move good volumes of print butter. Food service orders have been more active as restaurants and food service establishments prepare for the upcoming Fourth of July holiday and the summer vacation season.

CHEESE: The cheese market is about steady, though with a firm undertone. After last year's record high prices, many buyers remain comfortable with maintaining current purchase commitments. Natural American varieties remain very close to in balance. Mozzarella offerings continue to exceed the seasonally soft demand. Process movement is at least moderate for summer. Current cheese production is often lower, reflecting declines in milk intakes. However, extra volumes of manufacturing milk are expected over the long holiday weekend. Operating schedules are easing at many plants, at least during the week. Cheese yields are also steady to frequently lower, reflecting declining fat and/or protein tests.

FLUID MILK: The weather is impacting milk receipts. In areas with more elevated temperatures and/or humidity, plant receipts are lower including much of the Southeast and Central regions, as well as Arizona and New Mexico. Temperatures in the Northeast and parts of the Southeast have moderated, causing receipts to steady or even rebound slightly. Wet, seasonally moderate temperatures in Florida are helping to cause increased fluid volumes to be exported to other states compared to last week. Milk production is fairly steady in California, Utah, Idaho and the Pacific Northwest due to moderate temperatures. Over the three day holiday weekend, some milk and cream users will close for an extra day, causing extra volumes to back up into other manufacturing channels. The weather and its impact on milk production seems to be causing more uncertainty in the volume of holiday weekend surplus fluid available for manufacturing.

DRY PRODUCTS: The WPC market is steady to firm. Supplies remain short of needs though offerings are increasing. Current production is steady though some extra production is expected over the holiday

weekend. Whey prices are steady to higher on a steady to firm market. Many plants were expecting extra condensed over the holiday weekend to dry so some were offering excess whey supplies while others still have little product to offer. Most domestic movement is contractual rather than spot with export sales strong. The lactose market remains firm. Good export interest is noted, especially in higher mesh sizes. Production is steady. Buttermilk prices are steady to higher. Strong ice cream interest in condensed buttermilk and cream is reducing churning levels and limiting buttermilk drying schedules. Prices on NDM are steady to lower. Production is generally lower though extra skim volumes are expected to be dried over the holiday weekend. Drying schedules are still active enough to preclude sizeable high heat production. Demand for NDM from cheese makers is slow, particularly mozzarella producers. Export shipments have slowed but are still clearing extra volumes.

CCC: During the week of June 27 – July 1, there was no price support activity.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the June 2005 prices under the Federal Milk Order pricing system: Class II \$13.06 (+\$0.28); Class III \$13.92 (+\$0.15); and Class IV \$12.33 (+\$0.13). Product price averages used in computing Class prices are: butter \$1.4427, NDM \$0.9259, cheese \$1.4845, and dry whey \$0.2696. The Class II butterfat price is \$1.6002 and the Class III/IV butterfat price is \$1.5932. Further information may be found at: www.ams.usda.gov/dyfmom/mib/classprcacnmt.pdf

CONSUMER PRICE INDEX (BLS): The May CPI for all food is 190.6, up 2.4% from May 2004. The dairy products index is 183.3, down 1.4% from a year ago. The following are the May to May changes for selected products: fresh whole milk is -5.4%; cheese, +0.3%; and butter, -8.4.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during the first four months of 2005 totals 56.3 billion pounds, 0.6% below the same period in 2004. Comparing disappearance levels with year earlier levels: butter is -5.9%; American cheese, -1.1%; other cheese, +2.9%; NDM, -1.1%; and fluid milk products, -0.9%.

JUNE AGRICULTURAL PRICES HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in June 2005 was unchanged at 139. Compared with June 2004, the index was up 4 points (3.0%). The index of prices received by farmers for dairy products declined 1 point during the month of June 2005 to 112. Compared with June 2004, the index was down 27 points (19.4%). Prices received by farmers in June with changes from May were: for All Milk, \$14.60, down \$.20; Fluid Grade Milk, \$14.60, down \$.20; and for Manufacturing Grade Milk, \$14.20, unchanged.

****SPECIALS THIS ISSUE****

JUNE MONTHLY SUMMARY AND AVERAGES (PAGES 7 - 9)
 MAY CONSUMER PRICE INDEX (PAGE 10)

COMMERCIAL DISAPPEARANCE (PAGE 10)
 JUNE AGRICULTURAL PRICES (PAGE 11)

**CHICAGO MERCANTILE EXCHANGE
 CASH TRADING**

PRODUCT	MONDAY JUNE 27	TUESDAY JUNE 28	WEDNESDAY JUNE 29	THURSDAY JUNE 30	FRIDAY JULY 1	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4550 (N.C.)	\$1.5075 (+.0525)	\$1.5075 (N.C.)	\$1.5075 (N.C.)	\$1.5075 (N.C.)	(+.0525)	\$1.4970 (+.0460)
40# BLOCKS	\$1.5400 (+.0325)	\$1.5475 (+.0075)	\$1.5475 (N.C.)	\$1.5475 (N.C.)	\$1.5475 (N.C.)	(+.0400)	\$1.5460 (+.0430)
BUTTER GRADE AA	\$1.6800 (+.0300)	-----	\$1.7300 (+.0500)	-----	\$1.6850 (-.0450)	(+.0350)	\$1.6983 (+.0908)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM NOTE: CME NDM on Page 2. CME closed on July 4th for Holiday.

CHICAGO MERCANTILE EXCHANGE

MONDAY, JUNE 27, 2005

CHEESE — SALES: 6 CARS 40# BLOCKS: 2 @ \$1.5200, 1 @ \$1.5300, 3 @ \$1.5400; BIDS UNFILLED: 12 CARS 40# BLOCKS: 4 @ \$1.5400, 4 @ \$1.5375, 2 @ \$1.5350, 2 @ \$1.5225; OFFERS UNCOVERED: NONE

BUTTER — SALES: 11 CARS GRADE AA: 1 @ \$1.6475, 1 @ \$1.6500, 2 @ \$1.6600, 3 @ \$1.6700, 1 @ \$1.6725, 1 @ \$1.6750, 1 @ \$1.6800, 1 @ \$1.6775; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.6800; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.6900

TUESDAY, JUNE 28, 2005

CHEESE — SALES: 10 CARS 40# BLOCKS: 5 @ \$1.5450, 5 @ \$1.5475; BIDS UNFILLED: 3 CARS BARRELS: 1 @ \$1.5075, 2 @ \$1.4950; 4 CARS 40# BLOCKS @ \$1.5475; OFFERS UNCOVERED: 5 CARS 40# BLOCKS @ \$1.6000

WEDNESDAY, JUNE 29, 2005

CHEESE — SALES: 2 CARS 40# BLOCKS @ \$1.5475; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.5075, 1 @ \$1.5000; 3 CARS 40# BLOCKS: 2 @ \$1.4800, 1 @ \$1.4600; OFFERS UNCOVERED: 2 CARS 40# BLOCKS @ \$1.5475

BUTTER — SALES: 15 CARS GRADE AA: 1 @ \$1.6925, 1 @ \$1.6950, 1 @ \$1.7075, 3 @ \$1.7100, 1 @ \$1.7125, 1 @ \$1.7150, 1 @ \$1.7175, 2 @ \$1.7200, 1 @ \$1.7225, 1 @ \$1.7250, 1 @ \$1.7275, 1 @ \$1.7300; BIDS UNFILLED: 8 CARS GRADE AA: 1 @ \$1.7050, 1 @ \$1.7000, 1 @ \$1.6925, 1 @ \$1.6900, 1 @ \$1.6850, 2 @ \$1.6800, 1 @ \$1.6500; OFFERS UNCOVERED: NONE

THURSDAY, JUNE 30, 2005

CHEESE — SALES: 3 CARS 40# BLOCKS @ \$1.5475; BIDS UNFILLED: 1 CAR BARRELS @ \$1.5075; 3 CARS 40# BLOCKS @ \$1.5475; OFFERS UNCOVERED: NONE

FRIDAY, JULY 1, 2005

CHEESE — SALES: 3 CARS 40# BLOCKS @ \$1.5475; BIDS UNFILLED: 2 CARS BARRELS @ \$1.5075; 3 CARS 40# BLOCKS @ \$1.5475; OFFERS UNCOVERED: NONE

BUTTER — SALES: 12 CARS GRADE AA: 1 @ \$1.6475, 1 @ \$1.6400, 1 @ \$1.6300, 1 @ \$1.6400, 1 @ \$1.6475, 3 @ \$1.6500, 1 @ \$1.6600, 1 @ \$1.6700, 1 @ \$1.6750, 1 @ \$1.6850; BIDS UNFILLED: 8 CARS GRADE AA: 1 @ \$1.6425, 3 @ \$1.6350, 4 @ \$1.5500; OFFERS UNCOVERED: 3 CARS GRADE AA: 1 @ \$1.7000, 2 @ \$1.7300

CME CASH NONFAT DRY MILK: Extra Grade closed the week at \$0.9625 and Grade A at \$0.9825. (The last price change occurred March 30.) The weekly average for Extra Grade is \$0.9625 (N.C.) and Grade A is \$0.9825 (N.C.).

BUTTER MARKETS

NORTHEAST

The CME cash price for butter remains firm. Monday's cash price of \$1.6800 is the highest thus far this calendar year. Butter producers and handlers indicate that cream supplies have tightened. Increased Class II demand, especially for ice cream, coupled with declining milk volumes are two of the major factors for tighter cream offerings for the churn. Churning schedules in Eastern butter operations are declining. Inventoried stocks remain readily available, although some producers and handlers are reaching to outside sources to acquire butter supplies for immediate needs versus depleting inventories. Butter demand is seasonally fair. Retail orders are typical for the summer season. Some handlers indicate that retail orders are somewhat lighter this week as buyers are more cautious about placing orders during a firming trend in the market. Food service orders are fairly strong as restaurants and food service establishments prepare for the upcoming 4th of July holiday period. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

CENTRAL

The market tone remains firm as the cash price at the CME continues to increase. At midweek, the cash price of \$1.7300 has increased 24 1/4 cents in five consecutive trading sessions. This is the highest cash price since early December 2004. Traders and handlers have mixed opinions as to the strength in the cash price. Some feel that the increase is occurring due to futures transactions, while others feel that some buyers are reaching to the cash market to acquire butter for immediate needs versus depleting lower valued inventories. Many feel that as long as there are willing buyers and sellers, the cash price could still go higher. Churning activity in the central part of the country is seasonally active, although lighter than in recent weeks. Cream supplies remain plentiful, but Class II product production, especially ice cream, is actively absorbing available supplies. Butter demand is fair. Retail orders are basically following summer trends while food

service orders are more active. Food service orders have been more active as restaurants and food service establishments prepare for the upcoming Fourth of July holiday and the summer vacation season. Bulk butter for spot sale is being reported in the flat – 2 cents per pound over various pricing basis.

WEST

The cash butter price at the CME has moved sharply higher in the last five trading sessions gaining 24 1/4 cents to stand at \$1.73. This is the highest price recorded for 2005. Trading activity was moderate with 61 loads recorded as sold over this period. Contacts are stating that more buyers are going directly to the CME to acquire needed loads. Butter production has tailed off quite sharply since Memorial Day which is normal for the season. Less cream is available in general and more of it is heading to ice cream plants. Demand for butter is rated as good. Some retail features are coming to an end, but they did move some good volumes of print butter. Food service sales have been good all spring and shipments for the upcoming holiday weekend have been very good. Some firms are using some stored stocks to meet all of the current interest. A number of firms have been storing butter for fall needs. It is unknown if that will continue with prices up substantially from the low \$1.40's that were in play at the end of May. According to the *Cold Storage* report for the end of May, butter stocks stood at 188.2 million pounds, up 5% from last year (9.5 million pounds). Stocks increased 14% from April or 23.7 million pounds. Stocks are slightly ahead of 2004 and substantially behind 2003 and 2002. Weekly CME butter stocks declined by 1.8 million pounds last week to stand at 101.6 million pounds. Stocks in this report now trail last year by almost 6 million pounds at the same point in time. This is after leading a year ago a short while ago. This is surprising to some contacts because of the very heavy production noted this year just a few weeks ago. Bulk butter prices range from flat to 3 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	38% MOISTURE BARRELS			
JUNE 25	1.4814	1.4568	0.9247	1.4972	0.2696
	8,607,536	10,200,851	21,404,278	3,914,763	11,876,928

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are mostly higher on natural and process items. Warm summer weather continues to impact milk receipts and cheese production. Cheese movement is steady with continuing concerns with the likelihood of higher prices and tighter milk and cheese supplies into fall. Food service operators in vacation areas are hoping for holiday weekend weather conducive to good tourist numbers.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.5825-2.0975
Cheddar Single Daisies	:	1.5400-2.0150
Cheddar 40# Block	:	1.6425-1.9125
Process 5# Loaf	:	1.6625-1.8700
Process 5# Sliced	:	1.6825-1.8975
Muenster	:	1.6550-1.8575
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

MIDWEST

The cheese market is about steady. Bulk cheese needs will be lower for many operations next week due to the holiday observance reduction in operating schedule. Some in the industry question whether prices are showing just another end of the month price boost before falling early the following month or if prices reflect recent reductions in milk and cheese production. Cheddar and other natural American supplies remain tight to barely adequate. Some plant operators try to build a cushion of cheddar and natural American type stocks to meet commitments later in the year. Mozzarella remains ample to burdensome with some operations continuing to reduce current production levels to better balance supply with demand. Price discounts remain sizeable on mozzarella. Milk volumes are decreasing as load volumes decline, aided by another bout of summer heat and/or humidity through much of the region. Cheese yields are at lower, summer levels.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6500-1.9300
Brick And/Or Muenster 5#	:	1.9400-2.0525
Cheddar 40# Block	:	1.7900-2.2650
Monterey Jack 10#	:	1.9900-2.2650
Blue 5#	:	2.3475-2.6500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6800-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.4300-2.8900

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER : CHEESE	
	:	:
06/27/05	55,298	: 147,650
06/01/05	52,834	: 147,005
CHANGE	2,464	: 645
% CHANGE	5	: N.C.

WEST

The cash block cheese price at the CME has either held steady or increased for the last 14 trading sessions. The market has gained 11 cents over that period to stand at \$1.5475. Prices have not been this high since May 19. Some contacts are a little surprised at the price strength in the market at this point in time. Milk has not gone away very rapidly so far this summer in the West. Plants continue to run on extended schedules. Some buyers for current blocks have pulled back on purchase levels to see if this current market price increase is going to hold. Swiss sales are good for this time of year. Mozzarella interest is less than current production levels and this means that cheese is going into storage programs. According to the *Cold Storage* report for the end of May, American cheese stocks stand at 578.9 million pounds, up 4% or 20.1 million pounds from last year. This level is about 36 million pounds heavier than the average for the last five years. Swiss stocks stand at 23.3 million pounds, down 10% or 2.7 million pounds from last year. Swiss stocks have been trailing the level of the last two years for the March through May period.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.6050-1.8625
Cheddar 40# Block	:	1.6225-1.9750
Cheddar 10# Cuts	:	1.8025-2.0225
Monterey Jack 10#	:	1.8125-1.9725
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

FOREIGN

Prices on domestic are unchanged to higher. Current interest on many imported and domestic varieties continues to slow seasonally. The value of the dollar relative to other currencies like the Euro is also affecting some importers' decisions on whether to make or delay purchases.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-4.6900	: 1.8950-3.3850*
Gorgonzola	: 3.6900-6.0900	: 2.4075-2.4900*
Parmesan (Italy)	: TFEWR	: 3.3100-3.4175*
Romano (Italy)	: 2.1000-3.2500	: -0-
Provolone (Italy)	: 3.4400-6.0900	: 1.8975-2.1325*
Romano (Cows Milk)	: -0-	: 3.0925-5.2575*
Sardo Romano (Argentina)	: 2.8500-3.2900	: -0-
Reggianito (Argentina)	: 2.6900-3.2900	: -0-
Jarlsberg-(Brand)	: 3.1200-4.1500	: -0-
Swiss Cuts Switzerland	: -0-	: 2.4500-2.6500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: TFEWR	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.5600	: -0-
Gouda, Large	: TFEWR	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	135	0	53	0	101
SOUTHEAST STATES	0	0	0	0	0	0

Milk production in the Eastern part of the country continues to decline at varying rates, influenced by summer weather patterns. In the Northeast, hot temperatures of the past few weeks continue to impact milk output. Producers and handlers indicate that temperatures have moderated somewhat, allowing the milking herd to cool off some, which is slowing the rapid decline in production. In the Middle Atlantic region, hot temperatures of past weeks have also moderated and some milk handlers indicate that milk receipts are rebounding slightly. In the Southeast, overall production has been declining quite rapidly, although this week, a leveling trend and some slight increases were noted. Shipments out of Florida were nearly triple what they were last week. This week, 135 loads of milk cleared to other Southeastern states for manufacturing. These loads compare to 53 last week and 101 a year ago. Milk handlers do not foresee any major problems in handling milk volumes during the upcoming July 4th holiday weekend. Outside of some reduced processing schedules on Monday, most state that they will be running full through the week and will be maintaining regular schedules. Class I sales are not overly aggressive as the month end nears. Even sales for early July are not as heavy as usual for the first of a month, but bottlers anticipate sales will pick up after the holiday weekend. Condensed skim demand remains steady at unchanged prices. Cream markets are firm as multiples and the basing point price increase. The surplus volumes of recent weeks are no longer available. For most cream suppliers, volumes are very competitive with Class II operations absorbing the significant portion of available offerings. Ice cream and cream cheese production have increased greatly. Surplus cream volumes are very minimal and if available, are readily absorbed within close proximity of where they are generated. Some cream suppliers indicate that they are having difficulty sourcing enough cream for their commitments. Churning activity in the East is declining as cream volumes available to them dry up.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.1380-2.2666
DELIVERED EQUIVALENT ATLANTA	-	2.1540-2.2987 M 2.1862-2.2344
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.0255-2.1541

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9400-1.0200
NORTHEAST- CLASS III - SPOT PRICES	- 1.1000-1.1700

M I D W E S T

Class I interest remains at light summer levels, except for the usual retail feature activity. Manufacturing milk demand is improving as volumes decline at least seasonally. The elevated temperatures and humidity (90+ heat indices) are impacting cow comfort, resulting in production declines at most locations. Route load volumes are generally noticeably lower. At least a couple plant managers are noting milk volumes are down slightly but a "sharper decline" is noted in milk solids levels, reducing manufactured product yields. One operator recycled the summer "white water" comment when discussing current fat and protein levels and resulting product yields. Current extra manufacturing milk volumes remain heaviest on weekends though most plants are caught up with receipts by midweek. Reported spot manufacturing milk prices range from -\$1.50 to +\$1.00 with the highest prices around midweek. The upcoming July 4th holiday is causing more handlers and plant operators than normal to not have their weekend schedules planned early because of milk availability concerns. While prices and schedules were not set, most buyers and sellers expect discounts to continue for the holiday weekend, especially with a number

of bottler and ice cream manufacturers adjusting schedules. At some locations, truck availability remains a problem due to delayed unloading or longer hauls slowing tanker reloads. Cream demand remains very strong seasonally as ice cream operations operate on heavy seasonal schedules. A few plants are still planning a 6-day schedule this week, though they will be off July 4th. Weekend cream multiples, as usual, will be lower compared to those during the workweek. Cream buyers in the region are looking further, including California, for additional supplies. Class II condensed skim interest remains good with other classes still slow. Wet and dry field conditions continue with much of the wetter areas west of the Mississippi river and the dryer areas generally to the east.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JUNE 23 - 29	PREVIOUS YEAR
SLAUGHTER COWS	\$ 56.00- 62.50	\$ 54.00- 61.50
REPLACEMENT HEIFER CALVES	\$425.00-690.00	\$400.00-590.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JUNE 23 - 29	PREVIOUS YEAR
SLAUGHTER COWS	\$ 52.00- 59.50	\$ 54.00- 63.00

W E S T

May 2005 POOL RECEIPTS of milk in CALIFORNIA total 3.12 billion pounds, 3.6% higher than last year. The May blend price, at a fat test of 3.60%, is \$13.46, 60 cents lower than April and \$4.16 less than May 2004. The percentage of receipts used in Class 1 products is 14.63%. The May quota price is \$14.60 and the over quota price is \$12.90. These prices are 46 cents lower than April and \$4.09 less than a year earlier. Milk production in CALIFORNIA is holding fairly steady across most of the milk producing regions. Some locations are seeing slight increases. The seasonally mild weather conditions, characterized by moderate temperatures and lower humidity, are allowing cows to make milk. Feed conditions are also good. Demand for fluid milk ahead of the holiday weekend is light. Processors are expecting more milk to hit the plants over the weekend, but not to be stressed. Weather conditions are expected to be hotter at the start of July. ARIZONA milk supplies have been hampered by hot weather conditions and the cumulative effects of several weeks of heat. Fat and solids in incoming milk are also declining. Fluid activity is fair to slow and being affected by the upcoming holiday. NEW MEXICO milk production is retreating slowly as hotter weather is encompassing the milk producing areas. Fluid milk orders are slow ahead of the holiday and less than expected milk volumes are moving to the Southeast. Processing plants in the state are expected be busy over the holiday and will be moving milk to nearby states for help in processing. Western CREAM prices are moving higher. The market tone is firming as milk supplies and fat content decline slightly. Demand has been good from ice cream accounts and additional out of region interest is developing. The basing point, the CME butter price, moved 9.5 cents higher over the past week and closed at \$1.75 on June 29. Higher multiples and overages for cream have developed in recent weeks. Dairy plants in the PACIFIC NORTHWEST indicate that the milk flow for this time of year is normal and supplies are generally steady. Plants continue to run at near capacity levels. Volumes of cream offered to churns are declining as ice cream plants absorb a larger percentage of available supplies. There has been little weather stress on the milking herd and new crop hay is helping to hold production at current levels. Hay prices are firm and supplies of dairy quality hay are tight. Producers are watching declining grain prices for an opportunity to book feed for fall needs. Heifer prices are steady to firm in the region. Milk is generally steady in the dairy areas of UTAH and IDAHO. Weather stress is minimal at this time and some fair quality hay is becoming available to dairies for feeding. Most areas have finished with the first cutting of hay. Regrowth is coming back in good shape as producers put water back on the fields. Most hay producers are managing their alfalfa fields for one less cutting this year because the timing was thrown off by the weather for the first cutting. Heifer prices in the region have rebounded slightly as milk prices look good for the fall. Dairy plants continue to operate on heavy, seasonal schedules. No problems are anticipated over the holiday weekend.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged to lower on a steady market. Production is mostly unchanged as decreases in milk production during the recent hot weather are expected to be offset by excess milk supply availability during the holiday weekend. Interest is predominantly noted by trading firms. Lower prices are encouraging some price resistance by end-users, especially as some plants, such as cheese, accumulated heavier NDM stocks in anticipation of seasonal supply reductions. Central region stocks of low heat NDM are generally in balance whereas high heat stocks are short of buyer interest. Some off grade NDM is available and competitive with 34% WPC for the good feed interest. Low heat mostly prices for Report 26 in 2004 were .8800 - .9100. High heat prices for Report 26 in 2004 were .9050 - 1.2000.

EAST: Prices remain mixed following higher and lower weekly NASS fluctuations. Production levels are declining as milk volumes also edge lower. Although milk production is on the down side of the season, powder producers still report strong production schedules. Some state that they have a little more time to generate medium and high heat powder or downtime to perform maintenance. Producers and handlers anticipate that powder plants will remain full during the upcoming Fourth of July holiday weekend and do not foresee significant additional volumes of milk to process. Stocks of powder are heavy, but generally committed to regular accounts so there is relatively little available for spot sale.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .9350 - 1.0100 MOSTLY: .9800 - .9900
 HIGHHEAT: .9700 - 1.0950

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are lower for the mostly range and reflect recent declines in pricing indexes. The market tone is weaker with buyers reluctant to make additional purchases beyond contract as prices are unsettled. The sense is that production is seasonally strong yet and additional loads are available. Usage of NDM and condensed skim is slow into cheese production, especially into mozzarella. Exports have slowed some in recent weeks, but are clearing decent volumes. Stocks are light to moderate. High heat NDM sales are fair seasonally. Production remains light with some producers having to be strategic with time and space to make high heat.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .9050 - .9800 MOSTLY: .9200 - .9350
 HIGHHEAT: .9400 - .9700

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
June 24	\$.9014	7,918,983	0
June 17	\$.9072	8,276,774	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are higher on a mostly steady market. Stocks are mixed with some plants reporting supplies as readily available whereas others are limited in their offerings. Interest is fair at best. Production is lower as cream is diverted to Class II facilities, resulting in decreased butter and condensed buttermilk production. As ice cream production increases, condensed buttermilk more readily clears into ice cream facilities, resulting in reduced condensed buttermilk intakes at dryers. Export inquiries are noted but export trade has not been reported. Prices for Report 26 in 2004 were 1.0775 - 1.2700.

F.O.B. CENTRAL: .9800 - 1.0100

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are steady to firm. Production schedules continue to edge lower as butter production also declines. Demand for cream remains strong for Class II needs, thus future butter production is expected to continue to decline, thus lower buttermilk volumes. Demand for dry buttermilk is fair. Plant stocks are in fairly good balance.

F.O.B. NORTHEAST: .9300 - .9800
 DELVDSOUTHEAST: .9500 - 1.0300

DRY BUTTERMILK - WEST

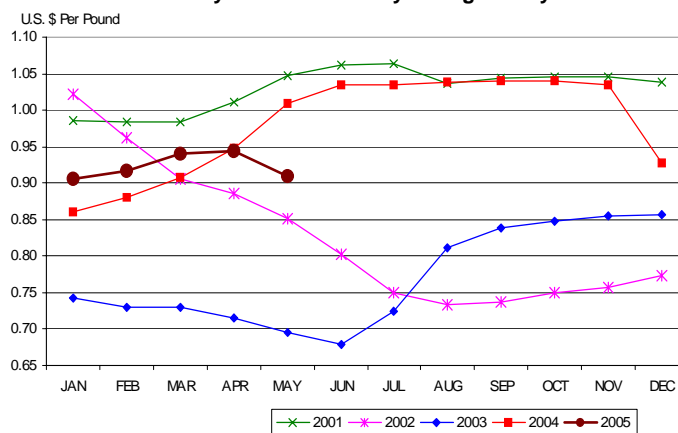
Prices for dry buttermilk in the West moved slightly higher this week as sellers increased prices following movements of product at lower prices. The movement of powder was for current and some with age. Demand from other accounts is as expected for the season. Drying schedules have moved lower in response to less churning in the region. The stock situation is in better shape at more locations, especially clearing older powder.

F.O.B. WEST: .9000 - .9575 MOSTLY: .9000 - .9050

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. Production schedules are light as dryer time remains limited, although as milk production declines, some time slots are opening for whole milk production. Plant stocks are balanced for the good demand.

F.O.B. PRODUCING PLANT: 1.2400 - 1.3800

Western Dry Buttermilk Monthly Average Mostly Prices

WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY – CENTRAL

Prices are unchanged to higher on a steady to firm market. Production is mostly steady with some expected increases over the holiday weekend. In preparation for higher volumes of condensed whey, some plants are offering out excess supplies to traders, feed facilities and custom dryers. Interest in condensed whey is fair at best as finding operations to handle the excess whey are not readily available. Spot movement on dry whey is light with most movement occurring on a contractual basis. Supplies of milk replacer quality whey are limited for the good interest. Dry whey mostly prices for Report 26 in 2004 were .2600 - .2800. Milk replacer prices for Report 26 in 2004 were .2200 - .2500. May veal production totaled 13.2 million pounds, 4% below May a year ago. Calf slaughter totaled 58,500 head, down 10% from May 2004. Pork production totaled 1.61 billion pounds, up 7% from the previous year. Hog kill totaled 8.03 million head, 6% above May 2004.

F.O.B. CENTRAL: .2650 - .2725 MOSTLY: .2650 - .2700
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2425 - .2600

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged, but remain firm. Northeast prices are nominal. The market tone remains unchanged, but continues to show signs of improvement. Buyers are inquiring about availability during upcoming months. Depleted stocks, tighter WPC supplies, tighter spot NDM stocks, declining milk production, thus lower cheese/whey output are a few of the reasons buyers are surveying the market for supplies. Producers have little or no product to offer on the spot market and some are cutting or have cut contracted volumes to correspond with production. Spot sales are mostly resale loads. Buyers state that there surely are no bargains out there at this time.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2650 - .3000
DELVD SOUTHEAST: .2850 - .3100

DRY WHEY – WEST

Western whey prices range from steady to fractionally higher in active trading. Export sales remain strong and domestic buyers continue to take good volumes of powder. Offerings are cleared in short order. Stocks are in close balance and there is some lead time on most orders. Producers expect that they may produce a little extra powder over the upcoming holiday weekend. This is not expected to cause any problems. In general, milk has not gone away very fast this summer because there has not been much stress on the milking herd.

NONHYGROSCOPIC: .2900 - .3200 MOSTLY: .2950 - .3075

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to higher on a steady to firm market. Supplies remain short of buyer interest. However, offerings are increasing. Product in totes is trading near the average whereas bagged product is trading at a premium. Price resistance is noted, predominantly from the feed sector, at the higher price levels. Some Canadian resale offers are noted into the U.S. Inquiries are reported from Asia, South America and Europe for both high proteins and 34% WPC. Excess whey supplies expected during the holiday weekend are being offered into some 34% WPC facilities. Production is reported as steady. Off grade supplies are limited for the good feed interest. Mostly prices for Report 26 in 2004 were .6450 - .6650.

F.O.B. EXTRA GRADE 34% PROTEIN: .8950 - 1.0000 MOSTLY: .8950 - .9200

LACTOSE - CENTRAL AND WEST

Prices are unchanged to higher on a firm market. Some contracts for the third quarter have been finalized at prices near 1 cent higher. Negotiations for the third quarter are expected to persist into the first few weeks of the term. Price resistance in Asia is being offset by new demand in South America. Traders are speculative of market trends as higher prices are not expected to continue into the fall. Demand is best for the higher mesh size product with feed interest helping to clear some of the lower mesh product as a result of the reduced availability of dry permeate. Production is steady. Mostly prices for Report 26 in 2004 were .2300 - .2450.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .1750 - .2150 MOSTLY: .1800 - .2000

CASEIN – NATIONAL

Casein markets and prices remain firm, although some suppliers and handlers do not foresee increases as the third quarter nears. Stocks of casein are still mixed. Oceania supplies are quite limited as handlers and traders are working from lighter than desired inventories. European stocks are in better balance with demand. European suppliers indicate that they are having a positive production season this year. Producers and handlers state that milk volumes have been more available to them. At this point in the season, milk production is declining and the demand for milk for other manufactured dairy products is picking up, thus casein producers are realizing lighter production versus earlier in the year. Many domestic buyers continue to question future availability. Suppliers continue to state that stocks should be more available in upcoming months, especially if the Oceania production season is positive.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

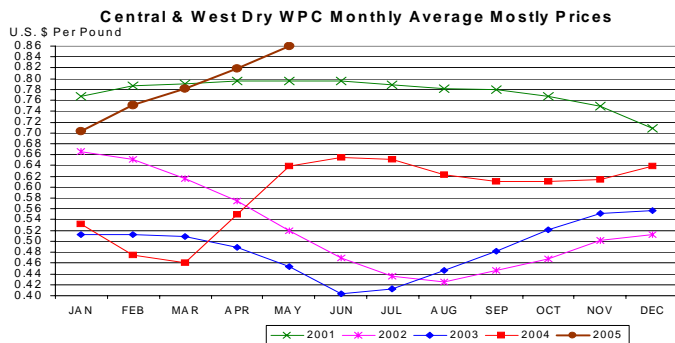
RENNET: 3.2700 - 3.4500
ACID: 3.2700 - 3.4000

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Evaporated milk production continues to edge lower as milk volumes decline. Producers and handlers indicate that the recent production season has been positive. Stocks accumulated during the spring of the year and ongoing lighter production should be sufficient to satisfy customer needs. Evaporated milk producers do not foresee surplus milk volumes headed their way during the upcoming Fourth of July holiday weekend.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.50 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.



MONTHLY SUMMARY AND AVERAGES FOR JUNE 2005 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 22	::REPORT NUMBER 23	::REPORT NUMBER 24	::REPORT NUMBER 25	::REPORT NUMBER 26	::	2005	: 2004
	::-----	::-----	::-----	::-----	::-----	::	Average	: Average
	:: JUN 01 - 03	:: JUN 06 - 10	:: JUN 13 - 17	:: JUN 20 - 24	:: JUN 27 - 30	::	or Total	: or Total

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 1.6200 - 1.9800	:: 1.6475 - 1.9300	:: 1.6575 - 1.9300	:: 1.6400 - 1.9300	:: 1.6500 - 1.9300	::	1.7908	: 2.1839
-- Brick And/Or Muenster 5#	:: 1.9900 - 2.0100	:: 1.9400 - 2.0425	:: 1.9400 - 2.0475	:: 1.9400 - 2.0375	:: 1.9400 - 2.0525	::	1.9934	: 2.4260
-- Cheddar 40# Block	:: 1.8100 - 2.2650	:: 1.7900 - 2.2650	:: 1.7900 - 2.2650	:: 1.7900 - 2.2650	:: 1.7900 - 2.2650	::	2.0289	: 2.2248
-- Monterey Jack 10#	:: 2.0400 - 2.2650	:: 1.9900 - 2.2650	:: 1.9900 - 2.2650	:: 1.9900 - 2.2650	:: 1.9900 - 2.2650	::	2.1309	: 2.3753
-- Blue 5#	:: 2.3050 - 2.7000	:: 2.3375 - 2.6500	:: 2.3425 - 2.6500	:: 2.3325 - 2.6500	:: 2.3475 - 2.6500	::	2.4959	: 2.8285
-- Mozzarella 5 - 6#	:: 1.6375 - 2.3650	:: 1.6700 - 2.3650	:: 1.6750 - 2.3650	:: 1.6650 - 2.3650	:: 1.6800 - 2.3650	::	2.0162	: 2.2317
-- Grade A Swiss Cuts 6 - 9#	:: 2.3800 - 2.8500	:: 2.3800 - 2.8900	:: 2.3800 - 2.8900	:: 2.3800 - 2.8900	:: 2.4300 - 2.8900	::	2.6368	: 2.5888

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 10# Prints	:: 1.5400 - 2.0550	:: 1.5725 - 2.0875	:: 1.5775 - 2.0925	:: 1.5675 - 2.0825	:: 1.5825 - 2.0975	::	1.8274	: 2.1039
-- Cheddar Single Daisies	:: 1.4975 - 1.9725	:: 1.5300 - 2.0050	:: 1.5350 - 2.0100	:: 1.5250 - 2.0000	:: 1.5400 - 2.0150	::	1.7649	: 2.0414
-- Cheddar 40# Block	:: 1.6025 - 1.8725	:: 1.6350 - 1.9025	:: 1.6375 - 1.9075	:: 1.6275 - 1.8975	:: 1.6425 - 1.9125	::	1.7655	: 2.0489
-- Process 5# Loaf	:: 1.6300 - 1.8375	:: 1.6575 - 1.8650	:: 1.6650 - 1.8750	:: 1.6500 - 1.8575	:: 1.6625 - 1.8700	::	1.7587	: 2.0621
-- Process 5# Sliced	:: 1.6500 - 1.8650	:: 1.6775 - 1.8925	:: 1.6850 - 1.9025	:: 1.6700 - 1.8850	:: 1.6825 - 1.8975	::	1.7824	: 2.1009
-- Muenster	:: 1.6125 - 1.8150	:: 1.6450 - 1.8475	:: 1.6500 - 1.8525	:: 1.6400 - 1.8425	:: 1.6550 - 1.8575	::	1.7436	: 2.1202
-- Grade A Swiss Cuts 10 - 14#	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	::	2.5500	: 2.5500

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.5700 - 1.8275	:: 1.5975 - 1.8550	:: 1.6075 - 1.8650	:: 1.5925 - 1.8500	:: 1.6050 - 1.8625	::	1.7250	: 2.0296
-- Cheddar 40# Block	:: 1.5825 - 1.9350	:: 1.6125 - 1.9650	:: 1.6175 - 1.9700	:: 1.6075 - 1.9600	:: 1.6225 - 1.9750	::	1.7865	: 2.0777
-- Cheddar 10# Cuts	:: 1.7625 - 1.9825	:: 1.7925 - 2.0125	:: 1.7975 - 2.0175	:: 1.7875 - 2.0075	:: 1.8025 - 2.0225	::	1.9002	: 2.1914
-- Monterey Jack 10#	:: 1.7725 - 1.9325	:: 1.8025 - 1.9625	:: 1.8075 - 1.9675	:: 1.7975 - 1.9575	:: 1.8125 - 1.9725	::	1.8802	: 2.1714
-- Grade A Swiss Cuts 6 - 9#	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	::	2.4750	: 2.6600

FLUID PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b	:: 1.6980 - 1.8395	:: 1.7220 - 1.8942	:: 1.7558 - 1.9285	:: 1.9445 - 2.0642	:: 2.1380 - 2.2666	::	1.9267	: 2.6158
-- Atlanta - divd. equiv.	:: 1.7122 - 1.8537	:: 1.7364 - 1.8942	:: 1.7702 - 1.9286	:: 1.9595 - 2.0941	:: 2.1540 - 2.2987	::	1.9414	: 2.6112
-- Upper Midwest - f.o.b	:: 1.6980 - 1.8395	:: 1.7369 - 1.8799	:: 1.7702 - 1.9141	:: 1.8698 - 2.0642	:: 2.0255 - 2.1541	::	1.8979	: 2.6072

PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.

-- Class II	:: 0.9400 - 1.0200	:: 0.9400 - 1.0200	:: 0.9400 - 1.0200	:: 0.9400 - 1.0200	:: 0.9400 - 1.0200	::	0.9800	: 0.9350
-- Class III	:: 1.1000 - 1.1700	:: 1.1000 - 1.1700	:: 1.1000 - 1.1700	:: 1.1000 - 1.1700	:: 1.1000 - 1.1700	::	1.1350	: 1.3221

NATIONAL EVAPORATED MILK (\$ per Case)

(Case - 48 - 12 fluid oz cans)

-- Delivered Major U.S. Cities	::19.5000 -30.0000	::19.5000 -30.0000	::19.5000 -30.0000	::19.5000 -30.0000	::19.5000 -30.0000	::	24.7500	: 26.0000
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MONTHLY SUMMARY AND AVERAGES FOR JUNE 2005 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 22 ::	REPORT NUMBER 23 ::	REPORT NUMBER 24 ::	REPORT NUMBER 25 ::	REPORT NUMBER 26 ::	2005	2004
	-----	-----	-----	-----	-----	Average	Average
	:: JUN 01 - 03 ::	JUN 06 - 10 ::	JUN 13 - 17 ::	JUN 20 - 24 ::	JUN 27 - 30 ::	or Total	or Total
DRY PRODUCTS							
NONEAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 0.9500 - 1.0100 ::	0.9400 - 1.0100 ::	0.9475 - 1.0100 ::	0.9375 - 1.0100 ::	0.9350 - 1.0100 ::	0.9758	0.9188
-- Mostly	:: 0.9800 - 0.9900 ::	0.9800 - 0.9900 ::	0.9800 - 0.9900 ::	0.9800 - 0.9900 ::	0.9800 - 0.9900 ::	0.9850	0.8983
-- High Heat	:: 0.9850 - 1.0950 ::	0.9750 - 1.0950 ::	0.9825 - 1.0950 ::	0.9725 - 1.0950 ::	0.9700 - 1.0950 ::	1.0358	1.0461
-- West (f.o.b.)							
-- Low/Medium Heat	:: 0.9175 - 0.9700 ::	0.9000 - 0.9700 ::	0.9075 - 0.9800 ::	0.9025 - 0.9800 ::	0.9050 - 0.9800 ::	0.9410	0.8595
-- Mostly	:: 0.9400 - 0.9500 ::	0.9325 - 0.9450 ::	0.9375 - 0.9425 ::	0.9275 - 0.9400 ::	0.9200 - 0.9350 ::	0.9367	0.8500
-- High Heat	:: 0.9500 - 0.9800 ::	0.9500 - 0.9800 ::	0.9500 - 0.9750 ::	0.9425 - 0.9750 ::	0.9400 - 0.9700 ::	0.9612	0.9871
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.2550 - 0.2725 ::	0.2575 - 0.2700 ::	0.2575 - 0.2700 ::	0.2600 - 0.2725 ::	0.2650 - 0.2725 ::	0.2652	0.2913
-- Mostly	:: 0.2550 - 0.2625 ::	0.2575 - 0.2675 ::	0.2575 - 0.2675 ::	0.2600 - 0.2700 ::	0.2650 - 0.2700 ::	0.2635	0.2883
-- West (f.o.b.)	:: 0.2800 - 0.3025 ::	0.2800 - 0.3050 ::	0.2850 - 0.3100 ::	0.2875 - 0.3150 ::	0.2900 - 0.3200 ::	0.2977	0.2750
-- Mostly	:: 0.2900 - 0.2950 ::	0.2900 - 0.3000 ::	0.2900 - 0.3025 ::	0.2950 - 0.3025 ::	0.2950 - 0.3075 ::	0.2969	0.2628
-- Northeast (f.o.b.)	:: 0.2625 - 0.2800 ::	0.2625 - 0.2800 ::	0.2650 - 0.2825 ::	0.2650 - 0.3000 ::	0.2650 - 0.3000 ::	0.2764	0.3148
-- Southeast (Delvd)	:: 0.2825 - 0.3000 ::	0.2825 - 0.3000 ::	0.2850 - 0.3025 ::	0.2850 - 0.3100 ::	0.2850 - 0.3100 ::	0.2944	0.3214
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.8650 - 0.9200 ::	0.8650 - 0.9200 ::	0.8800 - 0.9200 ::	0.8900 - 1.0000 ::	0.8950 - 1.0000 ::	0.9161	0.6593
-- Mostly	:: 0.8650 - 0.8950 ::	0.8650 - 0.8950 ::	0.8800 - 0.9000 ::	0.8900 - 0.9000 ::	0.8950 - 0.9200 ::	0.8907	0.6550
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.2425 - 0.2475 ::	0.2425 - 0.2475 ::	0.2425 - 0.2475 ::	0.2425 - 0.2600 ::	0.2425 - 0.2600 ::	0.2476	0.2633
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	:: 0.9600 - 1.0100 ::	0.9600 - 1.0100 ::	0.9600 - 1.0100 ::	0.9600 - 1.0100 ::	0.9800 - 1.0100 ::	0.9868	1.1738
-- West (f.o.b.)	:: 0.9000 - 0.9600 ::	0.9000 - 0.9600 ::	0.8950 - 0.9600 ::	0.8950 - 0.9575 ::	0.9000 - 0.9575 ::	0.9284	1.0349
-- Mostly	:: 0.9000 - 0.9100 ::	0.9000 - 0.9100 ::	0.8950 - 0.9050 ::	0.8950 - 0.9050 ::	0.9000 - 0.9050 ::	0.9023	1.0350
-- Northeast (f.o.b.)	:: 0.9300 - 0.9700 ::	0.9000 - 0.9500 ::	0.9300 - 0.9500 ::	0.9300 - 0.9500 ::	0.9300 - 0.9800 ::	0.9407	1.0950
-- Southeast (Delvd)	:: 0.9500 - 1.0000 ::	0.9300 - 1.0000 ::	0.9500 - 1.0000 ::	0.9500 - 1.0000 ::	0.9500 - 1.0300 ::	0.9755	1.0900
WHOLE MILK POWDER							
-- National (f.o.b.)	:: 1.2700 - 1.4000 ::	1.2400 - 1.3800 ::	1.2400 - 1.3800 ::	1.2400 - 1.3800 ::	1.2400 - 1.3800 ::	1.3134	1.4510
LACTOSE							
-- Central And West (f.o.b.)	:: 0.1750 - 0.2100 ::	0.1750 - 0.2100 ::	0.1750 - 0.2100 ::	0.1750 - 0.2100 ::	0.1750 - 0.2150 ::	0.1930	0.2450
-- Mostly	:: 0.1800 - 0.1925 ::	0.1800 - 0.1950 ::	0.1800 - 0.1950 ::	0.1800 - 0.2000 ::	0.1800 - 0.2000 ::	0.1884	0.2375
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 3.2700 - 3.4500 ::	3.2700 - 3.4500 ::	3.2700 - 3.4500 ::	3.2700 - 3.4500 ::	3.2700 - 3.4500 ::	3.3600	2.4879
-- Nonrestricted - Acid	:: 3.2700 - 3.4000 ::	3.2700 - 3.4000 ::	3.2700 - 3.4000 ::	3.2700 - 3.4000 ::	3.2700 - 3.4000 ::	3.3350	2.5107

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR JUNE 2005

COMMODITY	::REPORT NUMBER 22::	REPORT NUMBER 23::	REPORT NUMBER 24::	REPORT NUMBER 25::	REPORT NUMBER 26::	2005 *	2004 *
	::	::	::	::	::	Monthly	Monthly
	:: JUN 1 - 3	:: JUN 6 - 10	:: JUN 13 - 17	:: JUN 20 - 24	:: JUN 27 - 30	:: Average	:: Average
BUTTER*							
-- GRADE AA							
--Monday	::	:: 1.4425	:: 1.4500	:: 1.5375	:: 1.6800	::	:
--Tuesday	::	::	::	::	::	::	:
--Wednesday	:: 1.4200	:: 1.4375	:: 1.5500	:: 1.6350	:: 1.7300	::	:
--Thursday	::	::	::	::	::	::	:
--Friday	:: 1.4500	:: 1.4375	:: 1.4875	:: 1.6500	::	:: 1.5313	: 1.9300
--Weekly Average**	:: 1.4350	:: 1.4392	:: 1.4958	:: 1.6075	:: 1.7050	::	:
CHEESE*							
-- BARRELS							
--Monday	::	:: 1.4700	:: 1.4175	:: 1.4500	:: 1.4550	::	:
--Tuesday	::	:: 1.4800	:: 1.4350	:: 1.4500	:: 1.5075	::	:
--Wednesday	:: 1.4400	:: 1.4800	:: 1.4350	:: 1.4500	:: 1.5075	::	:
--Thursday	:: 1.4600	:: 1.4300	:: 1.4550	:: 1.4500	:: 1.5075	::	:
--Friday	:: 1.4700	:: 1.4175	:: 1.4525	:: 1.4550	::	:: 1.4580	: 1.6848
--Weekly Average**	:: 1.4463	:: 1.4555	:: 1.4390	:: 1.4510	:: 1.4944	::	:
-- 40# BLOCKS							
--Monday	::	:: 1.5150	:: 1.4675	:: 1.5000	:: 1.5400	::	:
--Tuesday	::	:: 1.5200	:: 1.4875	:: 1.5025	:: 1.5475	::	:
--Wednesday	:: 1.5000	:: 1.5200	:: 1.4900	:: 1.5025	:: 1.5475	::	:
--Thursday	:: 1.5000	:: 1.4675	:: 1.5000	:: 1.5025	:: 1.5475	::	:
--Friday	:: 1.5100	:: 1.4675	:: 1.5000	:: 1.5075	::	:: 1.5065	: 1.7105
--Weekly Average**	:: 1.4925	:: 1.4980	:: 1.4890	:: 1.5030	:: 1.5456	::	:
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday	::	:: 0.9625	:: 0.9625	:: 0.9625	:: 0.9625	::	:
--Tuesday	::	:: 0.9625	:: 0.9625	:: 0.9625	:: 0.9625	::	:
--Wednesday	:: 0.9625	:: 0.9625	:: 0.9625	:: 0.9625	:: 0.9625	::	:
--Thursday	:: 0.9625	:: 0.9625	:: 0.9625	:: 0.9625	:: 0.9625	::	:
--Friday	:: 0.9625	:: 0.9625	:: 0.9625	:: 0.9625	::	:: 0.9625	: 0.9200
--Weekly Average**	:: 0.9625	:: 0.9625	:: 0.9625	:: 0.9625	:: 0.9625	::	:
-- GRADE A							
--Monday	::	:: 0.9825	:: 0.9825	:: 0.9825	:: 0.9825	::	:
--Tuesday	::	:: 0.9825	:: 0.9825	:: 0.9825	:: 0.9825	::	:
--Wednesday	:: 0.9825	:: 0.9825	:: 0.9825	:: 0.9825	:: 0.9825	::	:
--Thursday	:: 0.9825	:: 0.9825	:: 0.9825	:: 0.9825	:: 0.9825	::	:
--Friday	:: 0.9825	:: 0.9825	:: 0.9825	:: 0.9825	::	:: 0.9825	: 0.9200
--Weekly Average**	:: 0.9825	:: 0.9825	:: 0.9825	:: 0.9825	:: 0.9825	::	:

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.
 ** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
MAR 2005	189.1	2.5	181.4	5.5	183.9	10.6	182.4	4.9	185.0	5.8	184.3	2.7
APR 2005	190.2	3.1	182.2	4.7	184.1	7.5	184.2	4.9	186.7	2.6	184.7	3.1
MAY 2005	190.6	2.4	183.3	-1.4	185.8	-5.4	184.1	0.3	185.1	-8.4	185.0	2.2
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Butter ^{5/}		Process Cheese ^{6/}		Natural Cheese ^{7/}		Ice Cream ^{8/}			
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	Dollars											
MARCH	3.226	2.786	3.456	3.466	3.843	3.895	4.354	4.079	3.654	3.648		
APRIL	3.225	2.906	3.404	3.353	3.840	3.848	4.449	4.134	3.772	3.815		
MAY	3.207	3.374	3.409	3.758	3.776	4.052	4.414	4.406	3.948	3.744		

^{1/} "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ^{2/} The standard reference base period for these indexes is 1982-1984 = 100. ^{3/} Percent change over previous year. ^{4/} Per gallon. ^{5/} Per pound. Grade AA, salted, stick butter. ^{6/} Per pound, any size and type of package. ^{7/} Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). ^{8/} Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS—FEBRUARY-APRIL AND ANNUAL 2004-2005 ^{1/}

Item	Feb.-Apr. 2004	Percent change ^{2/}	Feb.-Apr. 2005	Percent change ^{2/}	Jan.-Apr. 2004	Percent change ^{2/}	Jan.-Apr. 2005	Percent change ^{2/}
	Million Pounds							
MILK								
Production	42,877	-1.7	43,599	2.8	57,284	-1.6	58,181	2.4
Marketings	42,601	-1.7	43,330	2.8	56,913	-1.6	57,818	2.4
Beginning Commercial Stocks ^{3/}	9,895	-11.6	7,907	-20.1	8,333	-15.8	7,154	-14.1
Imports ^{3/}	1,342	11.5	1,207	-10.1	1,795	8.0	1,717	-4.3
Total Supply ^{4/}	53,838	-3.4	52,444	-1.7	67,041	-3.4	66,689	0.2
Ending Commercial Stocks ^{3/}	10,094	-19.5	10,468	3.7	10,094	-19.5	10,468	3.7
Net Removals ^{3/}	2	-99.6	-26	-1400.0	-98	-116.5	-31	-68.4
Commercial Disappearance ^{4/}	43,742	2.6	42,002	-2.9	57,045	1.4	56,252	-0.6
SELECTED PRODUCTS ^{5/}								
Butter	320.4	-0.7	274.8	-13.3	400.1	-4.7	373.1	-5.9
American Cheese	954.5	6.9	899.7	-4.8	1,254.2	5.4	1,231.3	-1.1
Other Cheese	1,396.4	8.1	1,412.4	2.3	1,831.0	7.6	1,868.8	2.9
Nonfat Dry Milk	388.1	127.9	320.3	-16.8	448.5	100.8	440.7	-1.1
Fluid Milk Products ^{6/}	13,673.6	-0.8	13,467.7	-0.4	18,510.1	-0.9	18,193.5	-0.9

^{1/} Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. ^{2/} From year earlier on a daily average basis. ^{3/} Milk-equivalent, milkfat basis. ^{4/} Totals may not add because of rounding. ^{5/} Commercial disappearance in product pounds. ^{6/} Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.

JUNE AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in June 2005 was unchanged at 139. Compared with June 2004, the index was up 4 points (3.0 percent). The index of prices received by farmers for dairy products declined 1 point during the month of June 2005 to 112. Compared with June 2004, the index was down 27 point (19.4 percent).

Prices received by farmers in June with changes from May were: for All Milk, \$14.60 per hundredweight (cwt.), down \$.20; Fluid Grade Milk, \$14.60 per cwt., down \$.20; and for Manufacturing Grade Milk, \$14.20 per cwt., unchanged.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., JUNE 2005 WITH COMPARISONS

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	MAY		JUNE		JUNE		JUNE		JUNE	
	2005 <u>2/</u>	2004 <u>2/</u>	2005 <u>4/</u>	2004 <u>2/</u>	2005	2004	2005 <u>7/</u>	2004 <u>8/</u>	2005	2004
CA	13.62	17.63	13.50	16.26	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		55.40	48.80	133.00	115.00
ID	14.00	17.90	14.20	15.90			57.20	52.00	104.00	104.00
MI	15.00	19.70	14.70	19.00			56.00	54.00	78.00	84.00
MN	15.00	20.70	15.10	18.30			59.00	58.70	71.00	68.00
NM	13.50	17.60	13.30	17.40			57.90	54.20	125.00	120.00
NY	15.20	20.20	14.80	19.50			---	---	119.00	119.00
PA	16.50	20.60	16.30	20.70			56.30	52.70	130.00	133.00
TX	14.50	19.20	14.30	18.90			54.40	51.20	79.00	80.00
WA	14.50	19.30	14.30	18.20			---	---	111.00	102.00
WI	15.30	20.70	15.20	18.40			56.80	54.90	102.00	100.00
U.S.	14.80	19.30	14.60	18.20			57.30	53.70	102.00	95.20

1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND OTHER GENERAL PRICE MEASURES, U.S., JUNE 2005 WITH COMPARISON

ITEM	JUNE 2004	MAY 2005 <u>1/</u>	JUNE 2005 <u>2/</u>
PRICES RECEIVED BY FARMERS , dol. per cwt., at reported butterfat test:			
All milk	18.20	14.80	14.60
Fluid grade milk	18.20	14.80	14.60
Manufacturing grade milk	16.80	14.20	14.20
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	128	120	120
Prices received by farmers for dairy products	139	113	112
Prices paid by farmers for commodities and services, interest taxes, and wage rates	135	139	139
Prices paid by farmers for production items	133	138	138
Prices paid by farmers for feed	130	117	117
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u>	3.12	2.95	2.91

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay and all wheat.

SOURCE: "Agricultural Prices," Pr 1 (6/05), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF JUNE 27 - JULY 1, 2005			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/04	SAME PERIOD LAST YEAR	WEEK ENDING 06/24/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	31,817,269	311,079,692	-0-	628,617,000
Fortified	-0-	-0-	-0-	-0-	-119,048	-0-	46,391,000
TOTAL	-0-	-0-	-0-	31,817,269	310,960,644	-0-	675,008,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JUNE 27 - JULY 1, 2005 =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	1.1	57.3
CUMULATIVE SINCE OCTOBER 1, 2004 =	7.0	370.4	CUMULATIVE SAME PERIOD LAST YEAR =	67.5	3,619.6
CUMULATIVE JANUARY 1 - JULY 1, 2005 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	42.0	2,270.3

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JUNE 27 - JULY 1, 2005 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/04 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04
CENTRAL	-0-	-0-	-0-	-0-	1,331,567	7,646,276	4.2	2.5
WEST	-0-	-42,309	-0-	-0-	29,415,099	299,030,594	92.4	96.1
EAST	-0-	-0-	-0-	-0-	1,070,603	4,283,774	3.4	1.4
TOTAL	-0-	-42,309	-0-	-0-	31,817,269	310,960,644	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 06/11/05 & Comparable Week 2004

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
											WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2005-Dairy	N.A.	0.6	5.2	1.9	12.6	2.1	0.6	0.8	10.9	2.7	37.4	1,043.6	43.6	47.9
2004-Dairy	0.1	0.6	6.3	2.0	15.1	1.8	0.4	0.7	10.3	1.9	39.3	1,087.8	42.1	46.8
2005-All cows	0.1	0.7	6.4	10.7	23.6	13.7	10.6	2.4	13.2	4.6	85.8	2,180.2		
2004-All cows	0.1	0.7	7.7	9.8	25.7	13.5	14.5	2.9	13.5	5.0	93.4	2,326.8		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13	14.80	13.62	13.89					
II	13.04	13.36	13.25	13.24	12.78	13.06						
III	14.14	14.70	14.08	14.61	13.77	13.92						
IV	12.52	12.74	12.66	12.61	12.20	12.33						

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmoms/mib/cls_prod_cmp_pr.htm